

SENATE BILL 934
EMERGENCY BILL

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2004 Regular Session
4r3257

By: ~~Senator Hollinger~~ **Senators Hollinger, Conway, Britt, Colburn, Dyson,
Grosfeld, Harris, Pinsky, Schrader, and Stone**

Constitutional Requirements Complied with for Introduction in the last 35 Days of
Session

Introduced and read first time: March 24, 2004

Rules suspended

Assigned to: Education, Health, and Environmental Affairs

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: April 1, 2004

CHAPTER _____

1 AN ACT concerning

2 **Higher Education - Nursing Scholarships**

3 FOR the purpose of altering the service obligation requirements to enable certain
4 recipients to perform certain service obligations working as a full-time or
5 part-time nurse; authorizing the Maryland Higher Education Commission to
6 award certain nursing scholarships to a nursing student attending a certain
7 out-of-state institution if certain in-state institutions notify the Commission
8 that they have rejected otherwise qualified applicants due to the lack of capacity
9 in the in-state institution's nursing program and the nursing student provides
10 the Commission with a copy of a certain rejection letter; altering the definition
11 of a certain term; making this Act an emergency measure; and generally
12 relating to nursing scholarships.

13 BY repealing and reenacting, with amendments,
14 Article - Education
15 Section 18-701 and 18-706
16 Annotated Code of Maryland
17 (2001 Replacement Volume and 2003 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
19 MARYLAND, That the Laws of Maryland read as follows:

1 **Article - Education**2 18-701.

3 (a) There is a program of Economic Development Student Assistance Grants
4 awarded under this subtitle for students who pledge to work in fields of geographic or
5 critical shortage in this State upon completion of their studies.

6 (b) The purpose of the Program is to:

7 (1) Provide financial assistance to students enrolled at institutions of
8 higher education in the State; and

9 (2) Address the economic development needs of the State.

10 (c) Subject to subsection (c-1) of this section, a recipient of an Economic
11 Development Student Assistance Grant under this subtitle shall:

12 (1) Be a resident of the State;

13 (2) Be selected by the Office from qualified applicants based on
14 standards established and approved by the Commission;

15 (3) Sign a letter of intent to enroll at an eligible institution in the State
16 in an eligible program as specified for each field in which there is a geographic or
17 critical shortage in this State as provided in this subtitle;

18 (4) Furnish a guaranteed promissory note to the Commission or its
19 designee with security satisfactory to the Commission;

20 (5) After completion of studies in an eligible program, perform the
21 service obligation as specified for each field in which there is a geographic or critical
22 shortage as provided in this subtitle; and

23 (6) Satisfy any additional criteria the Commission may establish.

24 (c-1) The provisions of subsection (c)(4) of this section may be waived by the
25 Commission when a recipient is undergoing extraordinary circumstances as
26 determined by the Commission.

27 (d) (1) The recipient of an Economic Development Student Assistance Grant
28 shall repay the Commission the funds received as set forth in § 18-112 of this title if
29 the recipient does not:

30 (i) Complete the specified degree, attain the licensure or
31 certification required, or fulfill other requirements as provided in this subtitle; and

32 (ii) [Perform] EXCEPT AS PROVIDED IN § 18-706 OF THIS SUBTITLE,
33 PERFORM the service obligation as specified in each section of this subtitle for 1 year
34 for each year that the recipient has a grant awarded under this subtitle.

1 (2) (i) Except as otherwise provided in this section AND IN § 18-706 OF
2 THIS SUBTITLE, the Office shall waive the repayment of the grant award at the rate
3 of 1 year for each year that the recipient performs the service obligation.

4 (ii) A recipient shall begin repayment at any time during the period
5 that the recipient is no longer performing the service obligation.

6 (3) A recipient may delay repayment as long as the recipient remains a
7 student enrolled at least part time in a degree-granting program.

8 (4) Except as otherwise provided in this subtitle, repayment shall be
9 made to the State within 6 years after the repayment period begins and shall follow
10 a repayment schedule established by the Office.

11 (5) The Office may waive or defer repayment in the event of disability or
12 extended sickness which prevents the recipient from fulfilling the service obligation
13 required under this subtitle.

14 (e) [The] EXCEPT AS PROVIDED IN § 18-706 OF THIS SUBTITLE, THE
15 repayment of the grant award by a recipient who is not yet required by the provisions
16 of this subtitle to begin repayment of the award and who accepts employment that
17 fulfills the service obligation shall be forgiven, for the purposes of this subtitle, at a
18 rate of 1 year for each year that the recipient performs the service obligation.

19 (f) The Commission may adopt guidelines or regulations necessary to
20 implement this subtitle.

21 (g) (1) The Commission may restructure an existing Economic Development
22 Student Assistance Grants Program, as necessary, to address the existing critical
23 shortages under the Program.

24 (2) The Commission shall adopt regulations necessary to implement any
25 changes under paragraph (1) of this subsection.

26 (3) The Commission shall notify the General Assembly of any changes
27 implemented under this subsection.

28 (h) Funds for the Economic Development Student Assistance Grants Program
29 shall be as provided in the annual budget of the Commission by the Governor.

30 18-706.

31 (a) In this section the following words have the meanings indicated.

32 (1) "Eligible organization" means an institution, including a licensed
33 hospital, nursing home, adult day care center, public health agency, home health
34 agency, or other organization authorized by the Secretary of Health and Mental
35 Hygiene.

1 (2) "Eligible institution" means an institution of postsecondary
2 education:

3 (i) 1. Approved to operate by the Maryland Higher Education
4 Commission; [and] OR

5 2. ~~APPROVED BY THE MARYLAND HIGHER EDUCATION~~
6 ~~COMMISSION AS AN ACCREDITED AND EQUIVALENT RECOGNIZED BY THE~~
7 ~~COMMISSION AS A REGIONALLY ACCREDITED INSTITUTION OFFERING AN~~
8 ~~EQUIVALENT AND NATIONALLY ACCREDITED OUT-OF-STATE NURSING PROGRAM;~~
9 AND

10 (ii) That awards nursing degrees or diplomas.

11 (3) "Nursing shortage area" means a recognized area of nursing service
12 or specialization determined by the Secretary of Health and Mental Hygiene to be an
13 area where there exists a shortage of qualified nurses in eligible organizations.

14 (4) "Nursing student" means a student enrolled in a postsecondary
15 nursing education degree or diploma program at an eligible institution.

16 (5) "Service obligation" means employment as a nurse in a nursing
17 shortage area in an eligible organization.

18 (b) (1) Economic Development Student Assistance Grants may be awarded
19 as scholarships for nursing students in nursing shortage areas.

20 (2) (i) The nursing scholarship awarded under this section shall be in
21 the amount of tuition and fees not to exceed \$3,000 annually for a full-time student or
22 a prorated award according to the number of credit hours taken by a part-time
23 student.

24 (ii) Each award shall be renewable on an annual basis up to a
25 maximum amount of \$12,000, if the recipient:

26 1. Remains a resident of this State;

27 2. Enrolls in an eligible institution;

28 3. Maintains a grade point average of at least 3.0 on a 4.0
29 scale or its equivalent; and

30 4. Makes satisfactory progress toward the nursing degree or
31 diploma according to the standards of the eligible institution attended.

32 (3) (i) For a nursing student enrolled in a nursing program, including
33 mandatory summer academic sessions that are a required part of the approved
34 curriculum, the nursing scholarship awarded under this section shall be in the
35 amount of tuition and fees not to exceed \$4,500 per calendar year.

1 (ii) Each award shall be renewable on an annual basis up to a
2 maximum amount of \$12,000, if the recipient:

- 3 1. Remains a resident of the State;
- 4 2. Enrolls in a nursing program at an eligible institution;
- 5 3. Maintains a grade point average of at least 3.0 on a 4.0
6 scale or its equivalent; and
- 7 4. Makes satisfactory progress toward the nursing degree or
8 diploma according to the standards of the eligible institution attended.

9 (c) Each recipient of the nursing scholarship awarded under this section shall:

- 10 (1) Be a nursing student;
- 11 (2) Have a grade point average of at least 3.0 on a 4.0 scale or its
12 equivalent;
- 13 (3) Be selected by the Office on a competitive basis from among the
14 qualified applicants based on academic criteria established by the Commission; and
- 15 (4) Perform the service obligation AS A:

16 (I) FULL-TIME NURSE AT A RATE OF 1 YEAR FOR EACH YEAR THAT
17 THE RECIPIENT RECEIVES A GRANT AWARDED UNDER THIS SUBTITLE; OR

18 (II) HALF-TIME NURSE AT A RATE OF 2 YEARS FOR EACH YEAR
19 THAT THE RECIPIENT RECEIVES A GRANT AWARDED UNDER THIS SUBTITLE.

20 (d) THE COMMISSION MAY AWARD A NURSING SCHOLARSHIP UNDER THIS
21 SECTION TO A NURSING STUDENT ATTENDING AN OUT-OF-STATE ELIGIBLE
22 INSTITUTION IF:

23 (1) THE IN-STATE ELIGIBLE INSTITUTION NOTIFIED THE COMMISSION
24 THAT THE IN-STATE ELIGIBLE INSTITUTION HAS REJECTED OTHERWISE QUALIFIED
25 APPLICANTS DUE TO LACK OF CAPACITY IN THE IN-STATE ELIGIBLE INSTITUTION'S
26 NURSING PROGRAM; AND

27 (2) THE NURSING STUDENT PROVIDES THE COMMISSION WITH A COPY
28 OF THE REJECTION LETTER THE NURSING STUDENT RECEIVED FROM THE IN-STATE
29 ELIGIBLE INSTITUTION.

30 (E) (1) Each recipient of a nursing scholarship awarded under this section
31 may be entitled, based on financial need, to an additional grant to meet living costs
32 not to exceed \$3,000 annually for a full-time student or a prorated award according to
33 the number of credit hours taken by a part-time student.

1 (2) Each additional grant shall be renewable on an annual basis up to a
 2 maximum amount of \$12,000, if the recipient meets the requirements for continuing
 3 the scholarship award under subsection (b)(2)(ii) of this section.

4 (3) The Office shall require a recipient of a nursing scholarship who
 5 seeks an additional grant for living costs to provide information to the Office
 6 sufficient to assure that the student has a definite financial need.

7 (F) (1) THE OFFICE SHALL WAIVE THE REPAYMENT OF THE GRANT AWARD
 8 FOR A:

9 (I) FULL-TIME NURSE AT THE RATE OF 1 YEAR FOR EACH YEAR
 10 THAT THE RECIPIENT PERFORMS THE SERVICE OBLIGATION; OR

11 (II) HALF-TIME NURSE AT THE RATE OF 2 YEARS FOR EACH YEAR
 12 THAT THE RECIPIENT PERFORMS THE SERVICE OBLIGATION.

13 (2) THE REPAYMENT OF THE GRANT AWARD BY A RECIPIENT WHO IS
 14 NOT YET REQUIRED UNDER THIS SUBTITLE TO BEGIN REPAYMENT OF THE AWARD
 15 AND WHO ACCEPTS EMPLOYMENT THAT FULFILLS THE SERVICE OBLIGATION SHALL
 16 BE FORGIVEN, FOR THE PURPOSES OF THIS SUBTITLE, AS A:

17 (I) FULL-TIME NURSE AT THE RATE OF 1 YEAR FOR EACH YEAR
 18 THAT THE RECIPIENT PERFORMS THE SERVICE OBLIGATION; OR

19 (II) HALF-TIME NURSE AT THE RATE OF 2 YEARS FOR EACH YEAR
 20 THAT THE RECIPIENT PERFORMS THE SERVICE OBLIGATION.

21 [(e)] ~~(F)~~ (G) The Commission shall establish and publish rules and
 22 regulations to administer the grants awarded under this section.

23 [(f)] ~~(G)~~ (H) Funds for the nursing scholarships awarded under this section
 24 shall be as provided in the annual budget of the Commission by the Governor.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an
 26 emergency measure, is necessary for the immediate preservation of the public health
 27 or safety, has been passed by a yea and nay vote supported by three-fifths of all the
 28 members elected to each of the two Houses of the General Assembly, and shall take
 29 effect from the date it is enacted.